



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUG 16 2004

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dennis J. Plews, Esq.
27 Fletcher Avenue
Sarasota, FL 342337

RE: MUR 5361
Michael J. Shelton
MUR 5350
Schneider for Congress, *et al.*

Dear Mr. Plews:

On May 1, 2003, the Federal Election Commission notified your client, Michael J. Shelton, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). On June 24, 2004, the Commission found, on the basis of the information in the complaint and information provided by Mr. Shelton, that there is no reason to believe he violated 2 U.S.C. § 441d.

On the same date, the Commission found reason to believe that Mr. Shelton violated 2 U.S.C. §§ 441a(a)(1)(A) and (a)(3) when he made an excessive contribution in the form of advances to the Schneider for Congress Committee and Harold Schneider, as treasurer ("the Committee") for travel or subsistence campaign-related expenses. *See* 11 C.F.R. § 116.5(b) (when an individual pays for goods or services on behalf of a candidate or a political committee other than the individual's personal transportation or subsistence expenses, he or she is making a contribution). However, after considering the circumstances of this matter, the Commission determined to take no further action against Mr. Shelton.

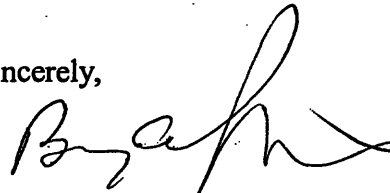
The Commission also reviewed the allegations in Mr. Shelton's complaint filed on February 24, 2003, and found that on the basis of the information provided in the complaint and information provided by the Committee that there is no reason to believe: Jan Schneider violated the Act in connection with MUR 5350; the Committee violated 2 U.S.C. § 439a(b)(2); or that Harold Schneider, Samuel Schneider, Jane Trainor, Josh Trainor, Seth Schneider, or Katherine Schneider violated 2 U.S.C. § 441f. In addition, the Commission took no action with respect to allegations that the following individuals made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A): Samuel Schneider; Jane Trainor; Josh Trainor; Seth Schneider; Joseph Kalish; Lynn Kalish; Katherine Schneider; Pierre M. Omidyar; Pamela Omidyar; Shahala Arbibi; Dr. Elahe Mir-Djalali; and Barbara Pearl.

On the same date, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441d(a)(1) in connection with the failure of certain disclaimers to state who paid for the political communications. The Commission also found reason to believe that the Committee violated 2 U.S.C. § 441a(f) when it accepted excessive advances from your client and from campaign staffer Marilyn Harwell, respectively, for non-travel or subsistence campaign-related expenses. Additionally, the Commission found reason to believe the Committee violated 2 U.S.C. § 441a(f) because some of the \$2,000 contributions it accepted might not have been properly designated as being equally divided between Ms. Schneider's primary and general elections. However, after considering the circumstances of these matters, the Commission determined to take no further action against the Committee. Finally, the Commission found that the Committee violated 2 U.S.C. § 433(c) for failing to amend its statement of organization within ten days to reflect the name of its new treasurer, Harold Schneider, after its former treasurer resigned, and determined to take no further action. The Committee was admonished to take steps to ensure that this activity does not occur in the future.

Accordingly, on June 24, 2004, the Commission closed the files in these matters. Documents related to these cases will be placed on the public record within 30 days. *See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files*, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Copies of the dispositive General Counsel's Report and the Commission's Certifications are enclosed for your information. The Act allows a complainant to seek judicial review of the Commission's dismissal of the action. *See* 2 U.S.C. § 437g(a)(8).

If you have any questions, please contact Ruth Heilizer, the attorney assigned to this matter, at (202) 694-1598.

Sincerely,



Bradley A. Smith
Chairman

Enclosures

General Counsel's Report dated June 21, 2004
Amended Certification dated June 28, 2004
Memorandum to the Commission dated August 4, 2004
Corrected Certification dated August 9, 2004